

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Amendment and Compilation of Chapter 3-146
Hawaii Administrative Rules

December 29, 2005

SUMMARY

1. §§3-146-202 and 3-146-203 are amended.
2. §3-146-602 is amended.
3. Chapter 146 is compiled.

HAWAII ADMINISTRATIVE RULES

TITLE 3

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

SUBTITLE 11

PROCUREMENT POLICY BOARD

CHAPTER 146

SMALL PURCHASE OF SERVICE

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§3-146-602 Small purchase of service record
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SUBCHAPTER 1

PURPOSE AND SCOPE

§3-146-101 Purpose. The purpose of this chapter is to implement section 103F-405, HRS, which establishes the small purchase of service method of procurement, by providing rules and procedures for the use of this method of procurement. [Eff 6/19/99; comp **JAN 23 2008**] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-102 Scope. The small purchase of service method of procurement may be used to procure health and human services when the proposed contract for services is for consideration of less than \$25,000. [Eff 6/19/99; comp **JAN 23 2008**] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

SUBCHAPTER 2

CORE PROCEDURES

§3-146-201 Adoption of HRS 103D rules for small purchases. In accordance with section 103F-405, HRS,

the rules for small purchases under section 103D-305, HRS, are hereby adopted as modified herein for the procurement of health and human services. [Eff 6/19/99; comp JAN 23 2006] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-202 Definitions. As used in this chapter, "adequate and reasonable competition" considers the numbers of providers solicited based upon the number of providers available and the value or price of the service. Because of variations in circumstances, it is not possible to define what is adequate and reasonable competition for every small procurement. However, in general, the more providers there are that can meet the needs of the purchasing agency, or the higher the price of the services, then a greater number of providers should be solicited. [Eff 6/19/99; am and comp JAN 23 2006] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-203 Conditions for use. (a) Expenditures less than \$25,000 for services shall be made in accordance with this chapter. Small purchase of service expenditures made pursuant to this chapter does not require public notice.

(b) Parceling forbidden. Purchases shall not be parceled by dividing the purchase of same, like, or related items of services into several purchases of smaller quantities, so as to evade the statutory competitive purchase of service requirements. [Eff 6/19/99; am and comp JAN 23 2006] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-204 Services. (a) Expenditure with an estimated total cost that is at least \$15,000 but less than \$25,000:

- (1) Insofar as it is practicable and based on the purchasing agency's specifications, no

less than three written quotations shall be solicited; and

- (2) Considering all factors, including but not limited to quality and delivery, award shall be made to the provider with the most advantageous quotation.

- (b) Expenditures of \$5,000 to \$15,000.

Expenditures with an estimated total cost that is at least \$5,000 but less than \$15,000:

- (1) Insofar as it is practicable and based on the purchasing agency's specifications, no less than three quotations shall be solicited; and
- (2) Considering all factors, including but not limited to quality and delivery, award shall be made to the provider with the most advantageous quotation.

- (c) Expenditure under \$5,000. Expenditure with an estimated total cost that is less than \$5,000 shall be by procedures established by each chief procurement officer. [Eff 6/19/99; comp JAN 23 2006] (Auth: HRS §103F-106) (Imp: §103F-405)

SUBCHAPTER 3

CONTENT REQUIREMENTS

§§3-146-301 to 3-146-400 (Reserved).

SUBCHAPTER 4

ALLOWABLE COMMUNICATIONS

§§3-146-401 to 3-146-500 (Reserved).

SUBCHAPTER 5

EXPEDITING PROCEDURES

§§3-146-501 to 3-146-600 (Reserved).

SUBCHAPTER 6

MISCELLANEOUS PROCEDURES

§3-146-601 Procurement file. All quotations received shall be recorded and placed in a procurement file, including a justification for the use of fewer quotations than are required, such as insufficient sources, emergency or urgent circumstances. The reason shall be recorded and placed in the procurement file. The file shall also include a written justification when award is made to other than the provider submitting the lowest quotation. [Eff 6/19/99; comp JAN 23 2006] (Auth: HRS §103F-106) (Imp: HRS §103F-405)

§3-146-602 Small purchase of service record of procurement actions. (a) The heads of purchasing agencies or procurement officers shall maintain records by fiscal year of all small purchase of service procurements made by their respective agencies for a minimum of the past five fiscal years. Such records shall be kept available for public inspection.


(b) Reports of small purchase procurements. As prescribed by the administrator, the heads of purchasing agencies or procurement officers shall make reports to the administrator of all small purchase of service procurements made by their respective agencies.

(c) Annual consolidated report. The administrator shall make a consolidated report of all small purchase of service procurements made during the


immediately preceding fiscal year. A copy of this report shall also be sent to the procurement policy board. [Eff 6/19/99; am and comp JAN 23 2006]
(Auth: HRS §103F-106) (Imp: HRS §§103F-301, 103F-405)

Amendments to and compilation of chapter 3-146, title 11, Hawaii Administrative Rules, on the Summary Page dated December 29, 2005 were adopted on December 29, 2005 following a public hearing held on November 30, 2005 in Honolulu, Hawaii; and via video conference from Honolulu, Hawaii on November 30, 2005 to Hilo, Hawaii; Wailuku, Maui; and Lihue, Kauai; after public notice was given in the Honolulu Star-Bulletin, Hawaii Tribune-Herald, West Hawaii Today, The Maui News, and The Garden Island on October 28, 2005.

They shall take effect ten days after filing with the Office of the Lieutenant Governor.


GREGORY L. KING
Chairperson
Procurement Policy Board


RUSS K. SAITO
State Comptroller


LINDA LINGLE
Governor
State of Hawaii

Dated: JAN 11 2006

Filed

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "John A. Ashcroft", written over a horizontal line.

Deputy Attorney General